

YO9-99-390      **\*\* AFTER FINAL: EXPEDITED ACTION \*\***      00280573aa  
Amendment dated 02/23/2004      Reply to office action mailed 12/22/2003

**REMARKS**

Claims 1- 6, and 8-20 are currently pending in the application. The foregoing separate sheets marked as "Listing of Claims" shows all the claims in the application, with an indication of the current status of each .

The Examiner has not renewed the §102 rejection based on Solomon, which is acknowledged with appreciation.

In response to the last amendment, which indicated that the invention was an automated method and system, the Examiner has maintained and made final his rejection of claims 1-3 (and new claims 11-13 and 20), combining U.S. Patent No. 6,119,101 to Peckover with Solomon to find the claimed invention unpatentable under 35 U.S.C. §103(a). The Examiner acknowledges that Solomon does not expressly teach performing the client-side operations using automated computer elements, but argues that a) Peckover teaches client-side intelligent agents "that represent consumers and providers in a virtual marketplace" and automatically perform a variety of shopping functions, and b) Solomon itself suggests combining this Peckover teaching because Solomon provides automation on the supplier side. The applicant respectfully traverses this argument.

The present invention provides for "human-computer interfaces on both sides" of the negotiation (page 6, lines 13-14) and concerns computer implementation, providing an improvement usable to those unskilled at negotiation as well as to those who are sufficiently skilled that they are able to store and process gathered information in their heads. The prior amendment further clarified the automated character of this bilateral and symmetrical invention.

It will be helpful to repeat how the invention operates. First, the profiles are generated off-line based on past history, as shown by item 201 in Fig. 2 and Fig. 3. Second, assignment of a static customer profile to a new customer is based on the static customer profiles, as shown by item 204 in Fig. 2 and Fig. 3. Third, there is a

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symmetry contemplated by the invention between the e-commerce site's side and the customer's side (see page 12, lines 20-22, and page 6, lines 5-12), as now provided in the claims. Fourth, there is a connection between the initial static profile and changes to that profile based on observed behavior during negotiations: the changes made during negotiation are what make the profile dynamic (see page 4, lines 24-27 and page 5, lines 20-27). The parallel construction of the e-commerce site side and the customer side with respect to the dynamic character of the respective profiles is to be noted, again reflecting page 12, lines 20-22. It is important to emphasize that the mechanism of the present invention, as claimed, provides for bilateral updating of the respective profiles during negotiation based on respective behaviors observed during negotiation.

As indicated on the record already established in this case, Solomon provides for automation of a "haggling" merchant but does not provide for human-computer interfaces on both sides of the negotiation as described for the invention. In particular, contrary to the assertions made by the Examiner, Solomon does not teach any automated support whatsoever for the consumer profiling of the merchant web sites or the consumer-side changing of the merchant profiles. Solomon is directed toward using automation to simulate **for the consumer** merchant "haggling" behavior. The lack of automated support for negotiation use of merchant profiles **by the consumer** is an implicit cornerstone of the Solomon approach. As shown in Figure 1 of Solomon, the database of information is entirely on the merchant side of the negotiation. The algorithms of Solomon are designed to simulate a haggling merchant, thereby providing value to the consumer who enjoys haggling over price. This enjoyment (and corresponding merchant marketing strategy) would be defeated if the consumer were similarly "simulated."

Therefore, Solomon itself teaches against the bilateral approach taken by the present invention and does not provide motivation for combining teachings that might show a bilateral use of automated negotiation profiles. Nonetheless, the Examiner

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asserts that what is missing from Solomon is provided by Peckover, because Peckover teaches consumer personal agents and provider personal agents. For the reasons which follow, this line of argument does not withstand scrutiny.

Peckover teaches a system of intelligent agents to support electronic commerce. As described in the abstract, Peckover provides personal agents that represent consumers and providers in a virtual marketplace. The consumer agents conceal the identity of the consumer and are capable of creating decision agents that shop for products and assist consumers in comparing and ranking products. Provider personal agents are capable of creating demand agents that quantify demand and target specific consumers for advertising and other messages. Furthermore, provider personal agents can cooperate with consumer personal agents to collect data.

However, Peckover does not teach about negotiation between a consumer and a merchant. Rather, Peckover describes a system for using automated tools – in particular “personal agents” – to regularize a marketplace (see col 1, lines 20-45). Within that improved marketplace consumers and merchants can then operate. Thus, Peckover is disclosing technology at a level of activity quite different from the particular “haggling” of Solomon or the bilateral negotiation profiling of the present invention. Indeed, Peckover’s technology is independent of, and could be used in conjunction with, the present invention. Peckover facilitates on-line commerce by assembling information useful for both consumers and providers.

However, there is in Peckover no means for negotiation between buyer and seller, and therefore Peckover lacks the very predicate required for one skilled in the art to connect Peckover with the “haggling” merchant of Solomon. Absent means for negotiation, the bilateral “agents” of Peckover do not suggest a **negotiation** profile for use in specific transactions, wherein the **profile is updated during negotiation and is therefore dynamic**. Peckover provides information to the consumer and also to the merchant, but this information is provided **outside of and independent of** negotiations. Information gathering under Peckover is **not a negotiation**; rather, it is

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merely a mechanism to provide a better informed marketplace usable by both consumers and providers.

It is to be noted that Solomon (col. 1, lines 35-37) observed that many prior art Internet commerce mechanisms fail to provide for negotiation. Peckover falls into this category, leaving one skilled in the art without any basis for establishing a **negotiation profile**. For the purposes of combination with Solomon, Peckover provides background technology for improving information availability in the marketplace (and, admittedly, does so for both the consumer and provider sides of the marketplace) but provides no teaching regarding negotiation, and therefore fails to provide the essential connection to automation of the **process of negotiation**. In particular Peckover provides no teaching for **updating a profile during negotiation**.

In summary, the Examiner's burden of proof to make a *prima facie* case of obviousness has not been met, and the applicant respectfully traverses the Examiner's indication that a *prima facie* case of obviousness has been shown.

The Examiner maintains rejection of claims 4 and 5 (and rejects claims 14 and 15) under 35 U.S.C. §103(a) as unpatentable over Solomon in view of Peckover and U.S. Patent No. 5,991,735 to Gerace. Since claims 1 and 11 are believed to be in allowable form as described above, and since claims 4 and 5 depend from claim 1 and claims 14 and 15 depend from claim 11, this rejection is also overcome. It should be noted that Gerace teaches about customer behavioral profiles for the purpose of providing "agate" information on the Internet. There is no indication in Gerace – as there was none in Peckover – of a means for negotiation, without which there is no reason or motivation for one skilled in the art to apply Gerace to Solomon in relation to the subject matter claimed in the present invention. While Gerace provides a customer profile, and for updating this profile, the language of claims 1 and 11 makes clear that the term "dynamic" in the claims refers to the context of a bilateral negotiation, or give-and-take, between buyer and seller.

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The Examiner maintains rejection of claim 6 (and rejects claim 16) under 35 U.S.C. §103(a) as unpatentable over Solomon in view of Peckover and Gerace and further in view of U.S. Patent No. 5,717,923 to Dedrick. Since claims 1 and 11 are believed to be in allowable form as described above, and since claim 6 depends from claim 1 and claim 16 depends from claim 11 this rejection is believed to be overcome. The Examiner acknowledges that Solomon and Peckover do not teach an on-line negotiation method where the interaction includes the customer's voice and physical actions, but argues that Dedrick teaches a voice input means for modifying a customer's profile. It should be noted that Dedrick teaches about using customer profiles to adapt information content to the customer. As with Peckover and Gerace, there is no suggestion in Dedrick of a negotiation between buyer and seller. Profiles in general are old in the art, as are voice input means, and the critical missing link to make these references to prior art customer profiles relevant to the present invention is a context of buyer-seller negotiation.

The Examiner maintains rejection of claims 8-10 (and rejects claims 17-19) under 35 U.S.C. §103(a) as unpatentable over Solomon in view of Peckover and in view of the article "Search Engine and DBMS Directory" in Library Technology Reports (July 1998) (hereinafter "Library Technology") and an article by J.W. Davis "Take your data to the net" in *PC Computing*, Vol. 10, no. 2 (February 1997) (hereinafter "Davis"). Since claims 1 and 11 are believed to be in allowable form as described above, and since claims 8-10 depend from claim 1 and claims 17-19 depend from claim 11, this rejection is also overcome. The Examiner acknowledges that Solomon and Peckover do not teach customer storage of profiles of on-line e-commerce sites. It should be noted that while Library Technology teaches keeping a database of vendor profiles, there is lacking any connection to negotiation. Indeed, Library Technology notes that an RFP process is required to compare products available from such vendors, and disclaims that any intention to provide product reviews. By contrast, the present invention concerns web site profiles having

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information captured dynamically in the course of negotiation and for the purpose of assisting in the negotiation. It should be noted that while claims 8-10 and 17-19 expand upon these features of the invention, the basic aspects of connecting the profile information to negotiation and modifying the profiles dynamically during negotiation are contained in independent claims 1 and 11.

Library Technology therefore fails to provide a nexus connecting the very generalized and well known "vendor information" concept to the claim limitations described in claims 8-10 and 17-19. Similarly, while Davis teaches creating hyperlinks to web sites "on the fly" this is simply an extension of the well known practice of establishing bookmarks by a user, and bookmarks are simply web addresses (a URL). Furthermore, as with Peckover, Gerace and Dedrick, there is no suggestion in Davis of a negotiation between buyer and seller. Profiles in general are old in the art, and the critical missing link to make these references relevant to the present invention is a context of buyer-seller negotiation. Without this negotiation context, there is no motivation (except through impermissible hindsight or the applicant's own disclosure) for one skilled in the art to do what is described and claimed in the present invention.

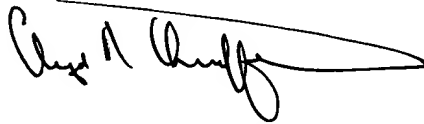
In view of the foregoing, it is requested that the finality of the rejection be withdrawn, that the application be reconsidered, that claims 1-6 and 8-20 be allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at 703-787-9400 (fax: 703-787-7557; email: clyde@wcc-ip.com) to discuss any other changes deemed necessary in a telephonic or personal interview.

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If a further extension of time is required for this response to be considered as being timely filed, a conditional petition is hereby made for such extension of time. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account 09-0441 (IBM-Almaden).

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Clyde R Christofferson', with a long horizontal flourish extending to the right.

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